

****Title:** Supreme Steel Corporation vs. Nagkakaisang Manggagawa ng Supreme Independent Union (NMS-IND-APL)******

****Facts:****

1. The collective bargaining agreement (CBA) between Supreme Steel Pipe Corporation (Supreme Steel) and Nagkakaisang Manggagawa ng Supreme Independent Union (NMS-IND-APL) covered June 1, 2003, to May 31, 2008.
2. On July 27, 2005, NMS-IND-APL filed a notice of strike at the National Conciliation and Mediation Board, alleging violations of the CBA.
3. The dispute was certified to the National Labor Relations Commission (NLRC) for compulsory arbitration by the Secretary of Labor.
4. ****Alleged CBA Violations:****
 - Denial of CBA wage increases to four employees due to purported company practice.
 - Contracting-out labor against CBA prohibitions.
 - Failure to provide shuttle service per CBA.
 - Refusal to cover medical expenses for injuries sustained at the company.
 - Non-compliance with time-off with pay provisions.
 - Issues on visitors' free access to company premises.
 - Non-payment of salaries for a brownout period.
 - Illegal dismissal of employee Diosdado Madayag without proper certification for his illness.
 - Denial of paternity leave benefit.
 - Alleged discrimination and harassment of union officers.
 - Non-implementation of cost of living allowance (COLA) per applicable wage orders.

The NLRC ruled on March 30, 2007. The Court of Appeals (CA) upheld the NLRC's decision on September 30, 2008, with a resolution on December 4, 2008.

****Issues:****

1. Whether the company violated the CBA by not granting wage increases.
2. Whether temporary workers hired by the company violated the CBA's provision on contracting-out labor.
3. Whether the company's failure to provide shuttle service violated the CBA.
4. Whether the company's refusal to cover medical expenses for injuries sustained by employees violated the CBA.
5. Whether there was non-compliance with the time-off with pay provision for grievance meetings.

6. Whether a brownout falls under the stipulation for paid time-off in emergencies.
7. Whether the dismissal of Diosdado Madayag was illegal.
8. Whether the denial of paternity leave benefits was justified.
9. Whether allegations of harassment and discrimination were valid.
10. Whether the COLA from Wage Order Nos. RBIII-10 and 11 should be implemented across the board to non-minimum wage earners.

Court's Decision:

1. **Wage Increases:** Supreme Steel must grant the CBA-provided wage increases regardless of anniversary increases given to employees. The CBA clearly stated the increases should be "over and above" any other wages received.
2. **Contracting-out Labor:** Hiring temporary workers in violation of the CBA's stipulations prohibiting this in certain departments was invalid. Management prerogative cannot override explicit CBA terms.
3. **Shuttle Service:** Supreme Steel was obliged to provide and recondition the company vehicle for shuttle service as per the CBA, notwithstanding claimed enforcement difficulties.
4. **Medical Expenses:** The CBA's first-aid provision included the costs incurred by employees in seeking medical care. Supreme Steel must reimburse these costs.
5. **Time-off with Pay:** Employees must be compensated for the time spent attending grievance meetings, regardless of whether these were during working hours or company-initiated.
6. **Brownout Emergencies:** Brownouts are deemed emergencies under the CBA; thus, employees must be paid according to the stipulated time-off provisions.
7. **Dismissal of Diosdado Madayag:** His dismissal was illegal due to the absence of a necessary certification from a public health authority for his condition under Article 284 of the Labor Code.
8. **Paternity Leave:** The denial of paternity leave to two employees was upheld due to their failure to notify the company as prescribed by law.
9. **Harassment and Discrimination:** Discrimination and harassment claims were dismissed for lack of substantial evidence.
10. **COLA Implementation:** The order mandating the implementation of COLA for non-minimum wage earners under Wage Order Nos. RBIII-10 and 11 was set aside since no lasting company practice was established.

Doctrine:

1. **CBA Interpretations:** CBAs should be construed liberally in favor of labor while seeking to discern the parties' true intentions.

2. **Company Practices:** Company practices, if alleged, must be proven by repetitive, deliberate conduct over a significant period.
3. **Management Prerogative:** Management prerogatives must yield to explicit CBA provisions.

Class Notes:

1. **Labor Code Article 284:** Requires employer certification for dismissal on health grounds.
2. **Liberal Interpretation of CBA:** Favoring labor unless clearly stated otherwise.
3. **First-Aid and Medical Coverage:** Responsibility includes associated costs such as transportation.
4. **Contracting out Labor:** Subject to CBA's explicit prohibitions.
5. **Paid Time-Off for Grievance Meetings:** Includes time spent beyond office hours.
6. **Irregular Employment:** Methods to humanitarily avoid circumvention of security tenure laws.

Historical Background:

- This case highlights a period when labor rights in the Philippines were actively enforced through both statutory mechanisms and judicial interpretations, emphasizing the balance of power between labor unions and corporate management. This case underscores judicial tendencies in late 2000s towards protecting labor rights within the confines of CBAs and statutory protections.